

Monetary Economics
Econ 111
Fall 2004

Syllabus

Professor Marjorie Flavin

Office: Econ 216

Phone: 534-4649

Email: mflavin@ucsd.edu

Office hours: Monday 10:00-11:00 and Thursday 2:00-3:00

Required text: Frederic Mishkin, The Economics of Money, Banking, and Financial Markets, Pearson, Addison Wesley, 7th edition.

Prerequisites: Math 10A or 20A and Econ 1A, 1B or Econ 2A,2B or Econ 1,2,3

Class meetings: Monday, Wednesday, and Friday, 9:00-9:50, CSB 4

TA: Lei Meng

Email: lemeng@ucsd.edu

Office hours: Tuesday 9:30-10:30 and Friday 10-11:30

Office: Econ 127

To access the class web page, go to webct.ucsd.edu

Contents of the course:

The determination and behavior of interest rates; the determination of asset prices and returns in the stock market, the theory of exchange rates, the implementation of monetary policy, the international monetary system, and the relationship between money and inflation.

In addition to the sheer intellectual pleasure of understanding these aspects of monetary economics, you will find the material in this course of great practical use in any of the following endeavors: evaluation the terms of car loans or mortgages, understanding why the stock market rises or falls dramatically when Alan Greenspan utters a few words, and understanding the policy debate as to whether Britain should enter the European monetary union.

Course grade: Midterm 1: 20%
Midterm 2: 20%
Problem Sets: 10%
Final exam: 50%

Problem sets: Problem sets are due at the beginning of class.

Exams: The dates of the midterms are indicated on the schedule. If you have some schedule conflict that prevents you from taking one of the midterms, please discuss the situation with me within the first two weeks of the quarter.

Econ 111 Reading Assignments

<u>Date</u>	<u>Chapter</u>	<u>topic</u>
Friday, Sept 24:		Introduction
Monday, Sept 27:	1,2,3	Why money is valued
Wednesday, Sept 29:	4	Interest rates and debt instruments
Friday, October 1:	4	
Monday, October 4:	4	
Wednesday, October 6:	4	
Friday, October 8:	5	The behavior of interest rates
Monday, October 11:	5	
Wednesday, October 13:	Midterm 1	
Friday, October 15:	6	The term structure of interest rates
Monday, October 18:	6	
Wednesday, October 20:	6	
Friday, October 22:	6	
Monday, October 25:	7	The stock market
Wednesday, October 27:	7	
Friday, October 29:	7	
Monday, November 1:	7	
Wednesday, November 3:	7	
Friday, November 5:	Midterm 2	
Monday, November 8:	19	Exchange rates
Wednesday, November 10:	19	
Friday, November 12:	19	
Monday, November 15:	20	The international financial system
Wednesday, November 17:	21	International monetary economics
Friday, November 19:	22	The demand for money
Monday, November 22:	26	The monetary transmission mechanism
Wednesday, November 24:	27	Money and inflation
Friday, November 26:	no class (Thanksgiving holiday)	
Monday, November 29:	27	
Wednesday, December 1:	27	
Friday, December 3:	27	

Final exam: Thursday, December 9, 8:00-11:00 a.m.